



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (June 2004)

(Implements RCW 34.05.310)
Do NOT use for expedited rule making

Agency: Department of Revenue

Subject of possible rule making: WAC 458-20-17902 Brokered natural gas—Use tax.

Statutes authorizing the agency to adopt rules on this subject: RCW 82.12.022, 82.32.300, & 82.01.060(2)

Reasons why rules on this subject may be needed and what they might accomplish: RCW 82.12.022 and 82.14.230 impose state and local use taxes on the use of natural gas or manufactured gas by a consumer, if the person who sold the gas to the consumer has not paid public utility tax with respect to the gas. This use tax is imposed only for natural gas delivered to a consumer through a pipeline, and the tax rate that applies is the same rate as the state and city public utility taxes. Rule 17902 explains how this use tax applies and the reporting requirements.

Consumers currently report and pay this use tax on a separate "natural gas use tax return." The Department is considering a revision to Rule 17902, so that the "natural gas use tax return" can be incorporated into the excise tax return and reported with business and occupation (B&O) and/or public utility tax (PUT) liabilities.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: The subject matter of this rule is administered exclusively by the Department of Revenue.

Process for developing new rule (check all that apply):

☐ Negotiated rule making

☐ Pilot rule making

☐ Agency study

☒ Other (describe) Parties interested in this rule making may contact the individual listed

below. The public may also participate by providing written comments throughout this rule making or by giving oral testimony at the public meeting or public hearing.

How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:

Written comments may be submitted by mail, fax, or at the public meeting. Oral comments will be accepted at the public meeting. A preliminary draft of the proposed changes is available upon request. Written comments on and/or requests for copies of the rule may be directed to: Pat Moses, Interpretations and Technical Advice Unit, P. O. Box 47453, Olympia, WA 98504-47453; phone: (360) 570-6116; FAX (360) 586-5543. Email: PatM@dor.wa.gov

Public meeting location:

Capitol Plaza Building
4th Floor L&P Large Conf. Room
1025 Union Avenue SE
Olympia, Washington

Date: September 13, 2005

Time: 9:30 A.M.

Assistance for persons with disabilities: Contact Sandy Davis at (360) 725-7499 no later than 10 days before the public meeting date. Deaf and hard of hearing individuals may call 1-800-451-7985 (TTY users).

Date

Name

Alan R. Lynn

Signature

Title

Rules Coordinator

CODE REVISER USE ONLY

Filed: July 26, 2005

Time: 9:56 a.m.

WSR: 05-16-025

The above information was input by DOR.